

Report to: **Lead Cabinet Member for Economy**

Date: **15 January 2013**

By: **Director of Economy, Transport and Environment**

Title of report: **Delegation of authority to the Director of Economy, Transport and Environment to approve funding of specific elements of the approved Economic Intervention Fund.**

Purpose of report: **To seek approval for the delegation of authority to the Director of Economy Transport and Environment to approve applications for economic development grants or loans recommended by the Economic Development Grants and Loans Panel.**

RECOMMENDATIONS: The Lead Member is recommended to

(1) Agree to delegate authority to the Director of Economy, Transport and Environment to approve or reject grants and loan applications to the Rural Growth and Employment Fund and East Sussex Invest Funds (part of the Economic Intervention Fund);

(2) Agree to delegate authority to the Director of Economy, Transport and Environment to establish and appoint to the Economic Development fund Grants and Loans Panel and to determine its terms of reference; and

(3) Agree to delegate authority to the Director of Economy, Transport and Environment to approve projects for funding from the Small and Medium Enterprises Commission Outcomes Fund following consultation with the East Sussex Small and Medium Enterprises Commission.

1. Financial Appraisal

1.1 A series of funds were approved as part of East Sussex County Council's capital programme, including the Economic Intervention Fund (EIF) which was reported to Lead Member on 19 July 2012. The report set out the allocation of the EIF subject to agreeing the relevant criteria and processes. Three of these funds are the subject of this report:

- Rural Growth and Employment Fund (RuGEF) - £2.5m
- East Sussex Invest (ESI and ES12) - £1m
- Small and Medium Enterprises Commission Outcomes - £1m

2. Economic Development Funds – current position

2.1 Since the last report, the detailed criteria and funding processes have been developed for RuGEF and ESI all of which were launched in October 2012 and received good coverage in the press. At the time of writing over 40 businesses or organisations had registered an interest in applying. Information on the criteria and application process can be found on the County Council's website by using the following link:

www.eastsussex.gov.uk/businessgrants

2.2 To ensure good governance of these funds it is recommended that an Economic Development Grants and Loan Panel be established to advise the Director of Economy Transport and Environment (ETE) on large individual applications. It is recommended that the panel has a maximum of six members including the Lead Member for Economy, at least one other County Councillor, independent business representatives and a senior council officer; and that the Director of ETE be given delegated authority to appoint to the panel.

2.3 It is proposed that the panel considers and advises the Director on applications of over £25,000 for RuGEF and £50,000 for ESI/ESI2.

2.4 The East Sussex Small and Medium Enterprise (SME) Commission, an independent body set up by the County Council consisting of County, Borough and District Councillors and business representatives, was charged with developing a programme of projects to increase support for small and medium sized businesses across the county and reduce barriers to business growth. The SME Commission now aims to commission the first projects in February/March 2013. It is recommended that the Director of ETE is given delegated authority to approve project proposals as put forward by the SME Commission.

2.5 Delegated authority to the Director of ETE will enable the award of funding to successful projects to allow relevant organisations to deliver relevant projects. To ensure transparency, it is proposed to publish a record of successful applications once contracts and conditions are agreed.

3. Conclusion and Reason for Recommendation

3.1 Approval to delegate authority to the Director of ETE will enable officers to respond promptly to successful bidders, which in turn will allow them to deliver projects which will create jobs and allow businesses to grow. The Lead Member is therefore recommended to approve the delegated powers as set out in this report.

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Director of Economy, Transport and Environment

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Local Member: All

BACKGROUND DOCUMENTS

Lead Member Report – 19 July 2012, Item 4 – Economic Intervention Fund Proposals